



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

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OCT 7 2002

DA 02- 2525  
October 4, 2002

## COMMENTS REQUESTED IN CONNECTION WITH VERIZON'S SECTION 271 APPLICATION FOR VIRGINIA

WC Docket No. 02-214

**Comments Due: October 9, 2002**

On October 3, 2002, the Commission received the attached written *ex parte* presentation from Verizon in the above-referenced docket proposing a significant reduction in Verizon's Virginia switching rates. In the course of this proceeding, the parties have raised concerns regarding Verizon's Virginia switching rates and whether they fall within a reasonable TELRIC range. Verizon relied in its application on the Virginia State Corporation Commission's proceeding adopting Verizon's switching rates.<sup>1</sup> During the course of this proceeding, Verizon volunteered to reduce its switching rates, "to eliminate any possible argument that these rates exceed the TELRIC range." According to Verizon, these reduced rates are effective immediately? Verizon now relies on these reduced switching rates as evidence to demonstrate that its aggregate non-loop rates, which include switching rates, pass a benchmark comparison to New York non-loop rates, and, therefore, fall within a reasonable TELRIC range. We now seek comment on whether these reduced rates fall within the range that reasonable application of TELRIC principles would produce. We have established a short comment period due to the imminent deadline for ruling on Verizon's application.

Without deciding what reliance, if any, the Commission will place on Verizon's supplemental evidence, the Commission encourages interested parties to respond to this evidence. We emphasize that this Public Notice does not represent a decision about whether we will accord any weight to the supplemental evidence. The Commission expects that a section 271 application, as originally filed, will include all of the factual evidence on which the applicant

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<sup>1</sup> Verizon **Application** at 48-50, 52 & App. A, Vol. 3. Joint Declaration of Robert W. Woltz, Jr., Patrick A. Garzillo, and Marsha S. Prosini at 32, para. 76.

<sup>2</sup> Attached *ex parte* presentation at 1

<sup>3</sup> *Id.*

would have the Commission rely in making its determination. If parties in a section 271 proceeding choose to submit new evidence, however, the Commission retains the discretion to waive its procedural rules and consider the evidence,' to start the 90-day review process anew, or to accord such evidence no weight.<sup>6</sup>

**Comments By Interested Third Parties.** Pursuant to our procedures governing section 271 applications' and sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on such information. Comments must be filed by **October 9, 2002**. All such filings shall refer to the Commission docket number, **WC Docket No. 02-214**. Comments and replies may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. To get further instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply. If a party chooses to file comments or replies by paper, an original and four copies must be sent to Marlene H. Dortch, Secretary, Office of the Secretary, Federal Communications Commission, 445 12<sup>th</sup> Street, SW, CY-B402, Washington, D.C., 20554. Fifteen additional paper copies of each comment and reply must be delivered to Janice Myles, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C327, Washington, D.C., 20554. One copy of each paper comment and reply must be sent to the Commission's duplicating contractor, Qualex International, Portals 11, 445 12<sup>th</sup> Street, SW, Room CY-B402, Washington, DC, 20554.

<sup>4</sup> See *Joint Application by SBC Communications Inc., Southwestern Bell Tel. Co., and Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, Memorandum Opinion and Order, 16 FCC Rcd 6237, 6247-50, paras. 21-27 (2001), *aff'd in part, remanded in part sub nom. Sprint Communications Co. v. FCC*, 274 F.3d 549 (D.C. Cir. 2001) (*SWBT Kansas/ Oklahoma Order*); *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Michigan*, Memorandum Opinion and Order, 12 FCC Rcd 20543, 20570, para. 49 (1997) (*Ameritech Michigan Order*); *Updated Filing Requirements for Bell Operating Company Applications Under Section 271 of the Communications Act*, Public Notice, DA 01-734 (CCB rel. Mar. 23, 2001).

<sup>5</sup> See 47 C.F.R. § 1.3

<sup>6</sup> See *SWBT Kansas/Oklahoma Order*, 16 FCC Rcd at 6247-50, paras. 21-27; *Ameritech Michigan Order*, 12 FCC Rcd at 20571-76, paras. 49-59; *Application of Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York*, Memorandum Opinion and Order, 15 FCC Rcd 3953, 3968-69, paras. 34-37 (1999), *aff'd*, *AT&T v. FCC*, 220 F.3d 607 (D.C. Cir. 2000).

<sup>7</sup> See 271 Procedural Public Notices

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554. telephone (202) 863-2893, facsimile (202) 863-2898. or via e-mail [qualexint@aol.com](mailto:qualexint@aol.com).

<b>If you are sending this type of document or using this delivery method.. .</b>	<b>It should be addressed for delivery to...</b>
Hand-delivered or messenger-delivered paper filings for the Commission's Secretary	236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002 (8:00 a.m. to 7:00 p.m.)
Commercial overnight mail (other than United States Postal Service Express Mail and Priority Mail)	9300 East Hampton Drive. Capitol Heights, MD 20743 (8:00 a.m. to 5:30 p.m.)
United States Postal Service first-class mail, Express Mail, and Priority Mail	445 12 <sup>th</sup> Street, SW Washington, DC 20554

**Parties are strongly encouraged to file comments electronically using the Commission's Electronic Comment Filing System (ECFS). Parties are also requested to send a courtesy copy of their comments via email to: [gremondi@fcc.gov](mailto:gremondi@fcc.gov); [jnyles@fcc.gov](mailto:jnyles@fcc.gov); [uonveije@fcc.gov](mailto:uonveije@fcc.gov); [laura.starling@usdoj.gov](mailto:laura.starling@usdoj.gov); [david.aurlanuantham@usdoj.gov](mailto:david.aurlanuantham@usdoj.gov) and [kcummings@sec.state.va.us](mailto:kcummings@sec.state.va.us); [dmueller@sec.state.va.us](mailto:dmueller@sec.state.va.us); [askirpen@sec.state.va.us](mailto:askirpen@sec.state.va.us).**

Wireline Competition Bureau Contacts: Uzoma Onyeije (202) 418-7827  
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October 3, 2002

**Ex Parte**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: Application by Veri-on for Authorization To Provide In-Region. InterLATA Services in  
State of Virginia, WC Docket No. 02-214 - REDACTED

Dear Ms. Dortch:

Verizon has previously demonstrated in its application in this proceeding that Verizon has satisfied the requirements of Section 271 of the Act, and the Virginia commission and the United States Department of Justice have agreed based on the results of their own extensive investigations. Likewise, Verizon has demonstrated that the Virginia commission has adopted unbundled switching rates that it has concluded are TELRIC-compliant. Consequently, the voluntary measure that Verizon is implementing, as described below, is not in any way necessary to demonstrate compliance with Section 271, other sections of the Act, or the Commission's rules.

Nonetheless, Verizon is voluntarily modifying its unbundled switching rates in Virginia to eliminate any possible argument that these rates exceed the TELRIC range. Specifically, Verizon is reducing its originating unbundled switching rate from 9.001129 to \$0.002643, and its terminating unbundled switching rate from \$.002079 to \$0.001331. These rate reductions are effective immediately. As indicated in Verizon's initial application, Verizon will true up these switching rates to those switching rates that are adopted in the Virginia arbitration proceeding, and Verizon will apply the FCC-approved switching rates retroactive to August 1, 2002. See Woltz/Garzillo/Prosini Decl. ¶ 50.

REDACTED - FOR PUBLIC INSPECTION

The new switching rates are applicable to all CLECs operating in Virginia. Additionally, Venzon will notify CLECs of the new switching rates today by sending out an email via the normal change management process. See Attachment 1.

As the chart in Attachment 2 demonstrates, with these rate reductions, the Virginia non-loop rates benchmark to the New York non-loop rates using the FCC's USF model. Specifically, the relative level of non-loop costs in Virginia, as determined by the FCC's USF model, are 107 percent more than the cost level in New York, while the statewide average non-loop rate for Virginia is 106 percent higher than the statewide non-loop rate in New York. This analysis uses state-specific assumptions, including DEM minutes of use, as outlined in Attachment 3.

Because the long distance carriers themselves have repeatedly championed the New **York** rates, there should be no question that the voluntarily-reduced Virginia rates are within the range that a reasonable application of TELRIC would produce.

Attachment 3 contains proprietary information and has been redacted. A confidential version is also being filed with the attachment. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in **DA 02-1857**.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Burton". The signature is fluid and cursive, with the first name "Andrew" and last name "Burton" clearly distinguishable.

Attachments

cc: U. Onyeije  
B. Olson  
G. Rernondino  
T. Preiss  
V. Schlesinger  
R. Kwiatkowski  
R. Lerner

**REDACTED - FOR PUBLIC INSPECTION**

Verizon (former BA)

#### Virginia UNE Rates for Existing Interconnection Agreements

Verizon has decided to voluntarily reduce its unbundled local switching rates. Specifically, Verizon is reducing its originating unbundled switching rate from \$0.001129 to \$0.002643, and its terminating unbundled switching rate from \$0.002079 to \$0.001331. These rate reductions are effective as of today October 3, 2002, are applicable to all CLECs operating in Virginia, and will remain in place until the FCC establishes Virginia switching rates in the Virginia arbitration proceeding. Once Verizon implements these reduced switching rates in its billing systems, it will provide retroactive credits from the implementation date to October 3, 2002.

# **ATTACHMENT 1**

## **ATTACHMENT 2**



State	Statewide Model Non- Loop Cost	Statewide Average &on-Loop Rate	Cost Ratio to New York	Rate Ratio Io New York	Compliant'.'
<b>NY</b>	<b>\$3.50</b>	<b>55.63</b>	<b>100%</b>	<b>100%</b>	<b>--</b>
<b>VA</b>	<b>\$3.76</b>	<b>\$5.97</b>	<b>107%</b>	<b>106%</b>	<b>Yes</b>

## **ATTACHMENT 3**

**REDACTED**